

**MISSOURI AGRICULTURAL  
AND SMALL BUSINESS  
DEVELOPMENT AUTHORITY**

**AGRICULTURAL PRODUCT UTILIZATION  
CONTRIBUTOR TAX CREDIT**

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**AGRICULTURAL PRODUCT UTILIZATION**

# CONTRIBUTOR TAX CREDIT

## PROGRAM GUIDELINES

### BACKGROUND

The Missouri Agricultural and Small Business Development Authority (the "Authority") is authorized by Chapter 348.430 RSMo 1999 of the Missouri Statutes (the "Contributor Tax Credit Statute") to grant an Agricultural Product Utilization Contributor Tax Credit ("tax credit") in an amount up to 100% of funds contributed by a person, partnership, corporation, trust, limited liability company, or other entity (the "Donor"). The contribution must be made to the Authority to be used for Missouri Value-Added Grants as approved by the Authority. The contribution must be received not later than June 30, 2004.

### THE AUTHORITY'S TAX CREDIT

Upon acceptance of contributions (the "Contribution") and submission of the necessary forms, the Donor making the Contribution will be issued a certificate for a state tax credit (the "tax credits") in an amount up to 100% of the amount of the Contribution. The amount of the contribution will be equal to the amount of cash contributed or the proceeds of marketable securities net any costs and expenses incurred to liquidate those securities.

Tax credits must be taken in the taxpayer's current tax year and thereafter against the tax otherwise due pursuant to Chapters 143 (other than taxes withheld pursuant to sections 143.191 to 143.265), 147, and 148 RSMo, although such credits may be carried forward for up to five years. Credits may be assigned, transferred or sold by filing a notarized endorsement with the Authority that contains the name and address of the new owner and the sale price of the credit.

**The Donor receiving a tax credit cannot be a member, owner, investor, or lender of:**

- **an eligible new generation cooperative that receives financial assistance from the Authority at the time the Contribution is made or**
- **an eligible new generation cooperative that receives financial assistance for a period of two years after the Contribution is made.**

An eligible new generation cooperative is defined as "a nonprofit cooperative association formed pursuant to Chapter 274 RSMo or incorporated pursuant to Chapter 356 RSMo, for the purpose of operating a development facility or a renewable fuel production facility." A development facility is defined as "a facility producing either a good derived from an agricultural commodity or using a process to produce a good derived from an agricultural product." A renewable fuel production facility is defined as "a facility producing an energy source which is derived from a renewable, domestically grown, organic compound capable of powering machinery, including an engine or power plant, and any by-product derived from such energy source."

## **FORM OF APPLICATION**

Attached to this description of the Authority's Agricultural Product Utilization Contributor Tax Credit Program is an Application which must be used by persons wanting to submit a contribution for the Authority's consideration. The Authority reserves the right to reject any Application.

## **THE APPLICATION PROCESS**

*Competitive Application and Submission of Bid for Tax Credits.* The Authority is required by statute to approve tax credits based on the least amount of credits required for the Contributions. Therefore, tax credits for Contributions to the Authority will be offered on a competitive basis. The Authority will publicize the availability of the tax credits in a manner to solicit the greatest number of Applicants along with a deadline for accepting Applications. Each potential Donor must fully complete an Application describing the proposed Contribution and the requested amount of tax credit. The minimum contribution which will be considered for tax credits is \$100. The Application must be submitted to:

Missouri Agricultural and Small Business Development Authority  
1616 Missouri Boulevard  
P.O. Box 630  
Jefferson City, MO 65102.  
Fax: 573-522-2416

*Consideration of the Application.* If the Executive Director determines that the Application is complete and received within the published deadline, the Executive Director will schedule the Application for consideration at the Authority's next meeting. At that meeting, the Authority will act upon each of the Applications received, beginning in order with the Application requesting the least percentage of tax credits in relation to the Contribution up to the Application requesting the highest percentage of tax credits in relation to the Contribution (offset by the amount of any associated costs to obtain the Contribution), but not to exceed the maximum amount of tax credits permitted to be issued by the Authority. The Authority may approve a tax credit for an amount up to 100% of the Contribution by the Donor. In the event that more than one Applicant requests the same percentage of tax credits for their contributions and the award of those requested tax credits would use more than the remaining amount of tax credits available, the tax credits

will be awarded proportionately based on the proposed amount of contributions to fully use the tax credits available. The Authority reserves the right to reject any Application, to postpone any action on the Application and to request additional information the Authority determines is necessary to properly consider the Application.

*Approval.* If the Authority approves the Application, the Authority will adopt a Resolution to the effect that the Application has been approved by the Authority. The Authority reserves the right to approve in whole or in part or reject any request and to request any additional information it deems necessary. The Authority will then notify the Applicant of the approval.

*Contribution.* Upon notification that the Application has been accepted, the Donor will make the Contribution to the Authority. Securities can be submitted in either physical or electronic form. *Electronic form is preferred.* The Contribution will be considered received the same day as the Authority receives the Donor's check, cashier's check or money order, or if the Donor wishes to make the Contribution by electronic means, the Contribution will be considered received the same day as the Authority's account is credited. Upon receipt of the Contribution the Authority will provide the Donor with verification of the Contribution. Verification will also be provided to the Missouri Department of Revenue.

## **ELIGIBLE USES OF CONTRIBUTIONS**

For the Authority to accept a Contribution under the Tax Credit Statute the Contribution must be used for purposes set forth in of the Missouri Statutes. In summary, the Authority is permitted to use Contributions to provide financial or technical assistance to projects that add value to agricultural products and benefit the economy of a rural community. The Authority may award competitive grants for limited uses such as feasibility studies, marketing studies, legal assistance for business formation, or for consulting services in the building of the physical facilities or operation of the business. The goal is to benefit Missouri's agricultural producers by creating value-added agricultural products through new uses, new markets or further processing of raw agricultural products. It is also the goal to stimulate the creation of new generation cooperatives that involve agricultural producers in further processing agricultural products they produce.

Financial assistance provided by the Authority is limited to \$2 million per project or the net state economic impact for that project, whichever is less. Grants may not exceed \$200,000 per project.

*Contributions Conditioned Upon the Use of Contribution Proceeds.* The Authority is prohibited from providing any Donor with any consideration for their Contribution, other than a federal tax deduction, if applicable, and goodwill.

## **TAX CONSEQUENCES**

Contributions to the Authority qualify as a charitable contribution under Section 170 of the Internal Revenue Code. The tax credits received may impact the amount of the charitable contribution and any Article X distribution received from the State of Missouri. The Missouri Department of Revenue computes any Article X distributions on the tax liability determined after application of the tax credits. Perspective Donors should consult their own tax advisors on the treatment of income tax consequences of their contributions. The Authority makes no representations regarding federal, state, or local tax consequences arising from a Contribution.

## **ADDITIONAL INFORMATION**

If additional Agricultural Product Utilization Contributor Tax Credit Applications are needed please feel free to copy the attached application.

Persons desiring additional information concerning the Agricultural Product Utilization Contributor Tax Credit Program should contact the Authority at:

### **MISSOURI AGRICULTURAL AND SMALL BUSINESS DEVELOPMENT AUTHORITY**

1616 Missouri Boulevard  
PO Box 630  
Jefferson City, MO 65102

Contact Person: Tony Stafford  
Phone: (573) 751-2129  
Fax: (573) 522-2416  
E-Mail: [masbda@mda.mo.gov](mailto:masbda@mda.mo.gov)

**MISSOURI AGRICULTURAL AND SMALL BUSINESS  
DEVELOPMENT AUTHORITY**

**AGRICULTURAL PRODUCT UTILIZATION CONTRIBUTOR  
TAX CREDIT APPLICATION**

The undersigned Applicant hereby submits this Application and requests the Missouri Agricultural and Small Business Development Authority (the "Authority") accept a Contribution, and, to the extent described herein, apply the proceeds of such Contribution for the purpose of providing financial and technical assistance to value-added agricultural projects pursuant to the Authority's Agricultural Product Utilization Contributor Tax Credit Program.

The undersigned has read the Authority's Agricultural Product Utilization Contributor Tax Credit Program Description and Guidelines.

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Individual Name(s) or Name of Business Making Contribution: (If individuals plan to claim tax credit jointly, list both names.) \_\_\_\_\_

Address (Street, P.O. Box): \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

County: (if in Missouri) \_\_\_\_\_

Contact: \_\_\_\_\_ Title: \_\_\_\_\_

Telephone: (\_\_\_\_) \_\_\_\_\_ Fax: (\_\_\_\_) \_\_\_\_\_

Individual or Business Tax Year (check one) \_\_\_\_ Calendar Year \_\_\_\_ Fiscal Year

Beginning Date of Tax Year \_\_\_\_\_ Ending Date of Tax Year \_\_\_\_\_

Tax Identification Number \_\_\_\_\_

Social Security Number(s) \_\_\_\_\_

Missouri Tax Identification Number \_\_\_\_\_

Taxpayer (check one)\*

____ Corporation	____ Individual	____ Trust
____ Partnership	____ S-Corporation	____ Limited Liability Company
____ Other Business Entity (Describe) _____		

\*If taxpayer is a Trust, form of Partnership, Limited Liability Company or S-Corporation, attach separate sheet to this application and identify the names, social security numbers/ federal employer identification numbers, and proportioned share of ownership of each beneficiary, partner, or shareholder. Aggregate proportionate shares or percent of ownership may not exceed 100%.

(Continued)

Total Amount of Proposed Contribution: \$ \_\_\_\_\_

Form of Contribution (check one): \_\_\_\_\_ Cash \_\_\_\_\_ Marketable Securities

Amount of Requested Tax Credit: \$ \_\_\_\_\_

Proposed Date of Contribution (must be after the Authority's approval but prior to June 30, 2004)

\_\_\_\_\_

Any other requirements for receiving the proposed Contribution: (please describe) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

#### **CERTIFICATION OF APPLICANT**

**The undersigned hereby represents and certifies that, to the best knowledge and belief of the undersigned, this Application contains no information or data that is false or incorrect. The undersigned further certifies, subject to the penalties of perjury, that the Donor is not a member, owner, investor, or lender of an eligible new generation cooperative that is receiving financial assistance from the Authority at the time the Contribution is made and will not be a member, owner, investor or lender of an eligible new generation cooperative that receives financial assistance for a period of two years after the Contribution is made.**

Dated this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_

**NAME:** \_\_\_\_\_

**TITLE:** \_\_\_\_\_